

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE LIMPOPO PROVINCIAL GOVERNMENT					
BID NUMBER:	TC/LP 19/2024	CLOSING DATE:	22 NOVEMBER 2024	CLOSING TIME:	11H00
DESCRIPTION	PROVISION OF COMMERCIAL BANKING SERVICES TO LIMPOPO PROVINCIAL GOVERNMENT				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT					
FINANCE HOUSE TENDER BOX					
LIMPOPO PROVINCIAL TREASURY					
56/58 PAUL KRUGER STREET					
POLOKWANE					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	LETSOALO TH		CONTACT PERSON	BAFEDILE GLM	
TELEPHONE NUMBER	N/A		TELEPHONE NUMBER	N/A	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	Letsoaloth@treasury.limpopo.gov.za		E-MAIL ADDRESS	Bafedileglm@treasury.limpopo.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				☐ YES ☐ NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				☐ YES ☐ NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g. company resolution)

.....

DATE:

.....

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

N.B. From item 2.1 to 2.3 below, circle the selected choice

- 2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

- 2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

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2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

I, _____ the _____ undersigned,
 (name)..... in
 submitting the accompanying bid, do hereby make the following
 statements that I certify to be true and complete in every respect:

- 3.1 I have read, and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements, or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

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- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	
Signature	Date
.....	
Position	Name of bidder

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**PRICING SCHEDULE – NON-FIRM PRICES
(PURCHASES)**

NOTE: PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.

Name of Bidder.....	Bid number.....
Closing Time 11:00	Closing date: 22 November 2024

OFFER TO BE VALID FOR **120** DAYS FROM THE CLOSING DATE OF BID.

- Required by:	Limpopo Provincial Treasury
- At:	Various Client Departments
- Brand and model	N/A
- Country of origin	N/A
- Does the offer comply with the specification(s)?	*YES/NO
- If not to specification, indicate deviation(s)	
- Period required for delivery	N/A
- Delivery:	As per the Service Level Agreement

PRICE ADJUSTMENTS

A NON-FIRM PRICES SUBJECT TO ESCALATION

1. IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES
2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

$$Pa = (1 - V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt$$

Where:

Pa	=	The new escalated price to be calculated.
(1-V)Pt	=	85% of the original bid price. Note that Pt must always be the original bid price and not an escalated price.
D1, D2..	=	Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1, D2...etc. must add up to 100%.
R1t, R2t.....	=	Index figure obtained from new index (depends on the number of factors used).
R1o, R2o	=	Index figure at time of bidding.
VPt	=	15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

3. The following index/indices must be used to calculate your bid price:

Index..... Dated.....	Index..... Dated.....	Index..... Dated.....
Index..... Dated.....	Index..... Dated.....	Index..... Dated.....

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

FACTOR (D1, D2 etc. eg. Labour, transport etc.)	PERCENTAGE OF BID PRICE

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B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE

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LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

TC/LP 19/2024

**TERMS OF REFERENCE (TOR)
PROVISION OF COMMERCIAL BANKING SERVICES
TO LIMPOPO PROVINCIAL GOVERNMENT**

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LIST OF ABBREVIATIONS

ACB	Automated Clearing Bureau
AIDS	Acquired Immunodeficiency Syndrome
ATM	Automated Teller Machine
BAS	Basic Accounting System
CIT	Cash In Transit
CSD	Central Supplier Database
GSI	Group Social Investment
CSI	Corporate Social Investment
CPD	Corporation for Public Deposits
EBT	Electronic Bank Transfer
ECD	Early Childhood Development
FSCA	Financial Sector Conduct Authority
GCC	General Conditions of Contract
HIV	Human Immunodeficiency Virus
PMG	Pay Master General
SBD	Standard Bidding Document
LPG	Limpopo Provincial Government
SMME	Small Medium & Macro Enterprise

LIST OF ABBREVIATIONS, Cont.

PASA	Payment Association South Africa
PERSAL	Personnel and Salary System
PFMA	Public Finance Management Act
PRF	Provincial Revenue Fund
RSA	Republic of South Africa
TB	Tuberculosis
TLC	Travel Lodge Card
VET	Vetting Electronic Transactions

1. DEFINITIONS AND TERMS

“Bidder(s)” means person(s), partnership, company or firm who submits a bona fide tender for the provision of Commercial Banking Services involving amongst others Accounts for the Client Departments and Provincial Revenue Fund.

“Client Departments” means a Limpopo provincial departments as defined in the schedule 1 and schedule 2 of the Public Service Act and participating Provincial Public Entities and Legislature.

“Commercial Bank” means a bank registered in the Republic of South Africa (RSA), providing commercial banking services, that is connected to the Automated Clearing Bureau (ACB) and with an extensive branch network.

“Contract” means an agreement entered into between the commercial bank and the Limpopo Provincial Government where the commercial bank has agreed to render commercial banking services as specified in the agreement including all appendices.

“Employee” means any person in the employ of the Client Department.

“Exchequer Account” means the main account of the Limpopo Provincial Government where deposit, withdrawal and investments of appropriated funds are managed according to Section 22 and 24 of the PFMA.

“Financial Year” means a period of twelve (12) months commencing from 1 April and ending 31 March.

“Net Benefit” means annual daily compounded interests on the favourable bank balances less the total annual banking costs offered by bidders.

“Pay Master General (PMG) account” means the main bank account of each Client Department., which caters for both inward and outward transactions.

“Principal” means the Limpopo Provincial Treasury acting on behalf of all the Client Departments.

“Set-off arrangement” means an arrangement where balances of all bank accounts (with the exception of the Non-PRF category accounts) within the LPG profile are aggregated on daily basis to determine the net group balance wherein interest is calculated.

“Social Responsibility” means an ethical framework in which individuals or institutions are accountable for fulfilling their civic duty and taking actions that benefit society.

2. INTRODUCTION AND BACKGROUND

Provincial Government requires commercial banking services to enable the flow of its budget and spending in delivering public services. The province receives its annual budget allocation from the National Revenue Fund in the form of equitable share and conditional grants while on the other hand receiving donations and generating revenue through its various Client Departments in the course of delivering services. Its spending includes the payment of salaries for employees and payment for services rendered by service providers on monthly basis.

The current commercial banking services agreement is set to expire on 30 April 2025.

It is against this background that the Principal invites potential bidders to bid for the provision of commercial banking services to Limpopo Provincial Government.

3. DURATION OF THE CONTRACT

- 3.1. The successful bidder will be appointed for a period of **thirty-five (35) months** commencing from **01 May 2025 to 31 March 2028** with an option of extension for a period of not exceeding **twenty-four (24) months**. The extension of the contract will be at the sole discretion of the Principal.

4. LEGISLATIVE FRAMEWORK

- 4.1 Section 226(1) of the Constitution of the Republic of South Africa, 1996 requires each province to have a Provincial Revenue Fund into which all money received by the Provincial Government must be paid, except money reasonably excluded by an Act of Parliament.

4.2 In terms of Section 7 of the Public Finance Management Act, 1999 as amended (PFMA) requires that -

- a) National Treasury must prescribe a framework within which the departments, public entity listed in schedule 3 and constitutional institutions must conduct their cash management.
- b) Section 21(2) and (3) of the Public Finance Management Act, 1999 as amended (PFMA), read with Treasury Regulations, 15.2.2 of 2005 requires money that must be paid into the Provincial Revenue Fund to be deposited into a bank account as prescribed and that the Provincial Revenue Fund to have a bank account configured that consists of at least an Exchequer Bank Account and Pay Master General Account opened with a Commercial Bank. The Principal is required to open the bank account with a bank registered in South Africa and approved in writing by National Treasury after any prescribed tendering procedure have been complied with.

4.3 In terms of the Treasury Regulation 15.2.4, the Principal may approve one sub-account within the PMG Account of the relevant revenue fund if accounting for a Client Department necessitates a separate bank account. Furthermore, the Principal must establish appropriate and effective cash management and banking arrangements for its Provincial Revenue Fund in accordance with the framework that is prescribed by National Treasury.

4.4 In terms of the Treasury Regulation 15.10.3.5, the department or constitutional institution may retain or obtain

- i. a credit or debit card lodged with a travel agency for purposes of payment for travel and accommodation related expenses;
- ii. one credit or debit card in the name of the department or constitutional institution with approval authority by only one office-bearer or official of the department or constitutional institution for purposes of travel and accommodation related expenses, on-line transactions and petty cash; and
- iii. fleet management, petrol and garage cards.

4.5 In terms of Section 25 of the Financial Management of Parliament and Legislatures act requires that The Accounting Officer, with the approval of the Executive Authority, and

in accordance with the policy referred to in section 24, must open and maintain a bank account into which all money received by Parliament must promptly be paid; and such other bank accounts as are necessary for the effective and efficient management of Parliament's funds. Parliament may not open a bank account abroad with an institution not registered as a bank in terms of the Banks Act, 1990 (Act No. 94 of 1990); or otherwise than in the name of Parliament.

5. TIMELINE OF THE BID PROCESS

The validity period of the bid and the withdrawal of offers after the closing date and time is **120 days**.

6. CONTACT AND ENQUIRIES

- 6.1. A nominated official of the bidder(s) can make enquiries in writing, to the Principal's specified person(s) who are Letsoalo T.H and Bafedile G.L.M via email Letsoalo.th@treasury.limpopo.gov.za and bafedileglm@treasury.limpopo.gov.za.
- 6.2. Any communication by the bidder(s) to an official or a person acting in an advisory capacity for the Principal in respect of the bid between the closing date and the award of the bid is not allowed.
- 6.3. The Principal and nominated officials will not be liable with respect to any information communicated from any other sources which may not be accurate, current or complete other than the nominated officials as indicated in 6.1. above.
- 6.4. If Bidder(s) finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the Principal (other than minor clerical matters), the Bidder(s) must promptly notify the Principal in writing of such discrepancy, ambiguity, error or inconsistency to allow the Principal to consider what corrective action is necessary (if any) but it must be before the closing date. Any actual discrepancy, ambiguity, error or inconsistency in the bid Terms of Reference or any other information provided by the Principal will, if possible, be corrected and provided to all Bidder(s) without attribution to the Bidder(s) who provided the written notice.
- 6.5. All persons (including Bidder(s)) obtaining or receiving the bid and any other information in connection with the bid or the bidding process must keep the contents

of the bid and other such information confidential, and not disclose or use the information except as required for developing a proposal in response to this bid.

7. LATE BIDS

Bids received after the stipulated closing date and time, at the address indicated in the Standard Bidding Document (SBD1 form), will not be accepted.

8. COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the bid Conditions or setting of counter conditions by Bidders or qualifying any bid Conditions may result in the invalidation of such bids.

9. SUPPLIER DUE DILIGENCE

The Principal reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits and requests for additional information.

10. SUBMISSION OF BID OFFERS

Bid documents may be placed in the bid box OR couriered to the addresses on or before the stipulated closing date and time as indicated in the SBD1 form.

Bid documents will only be considered if received by the Principal on or before the closing date and time, regardless of the method used to send or deliver such documents to the Principal.

Bidders are required to submit their bids in two clearly marked envelopes as follows: -

ENVELOPE 1	ENVELOPE 2
(PRE-QUALIFICATION, ADMINISTRATIVE REQUIREMENTS AND TECHNICAL EVALUATION)	(PRICING AND INTEREST SCHEDULE)
Exhibit 1:	Exhibit 1:

ENVELOPE 1	ENVELOPE 2
(PRE-QUALIFICATION, ADMINISTRATIVE REQUIREMENTS AND TECHNICAL EVALUATION)	(PRICING AND INTEREST SCHEDULE)
- Administrative and Mandatory requirement documents. <i>Refer to Section 12.1 - Gate 1.</i> - Supporting documents for technical responses. <i>(Refer to Section 12.2 - Gate 2: Technical Evaluation Criteria and Annexure B)</i>	Pricing Model <i>(Refer to Section 15 – Bid Pricing and Pricing and Interest Schedule Annexure "A" (Pricing and Interest Submission)).</i>
Exhibit 2: General Conditions of Contract (GCC)	
Exhibit 3: Company Profile Any other supplementary information	

11. SCOPE OF THE SERVICE AND SERVICE REQUIREMENT

Bidder(s) will be expected to provide the following: -

11.1 Opening and Handling of provincial bank accounts

11.1.1. The successful bidder must open the following bank accounts for the Principal and Client Departments consisting of the following banking profile: -

a) PRF category accounts

- i. One Exchequer account;
- ii. Two control accounts for interests and bank charges;
- iii. Eleven (11) PMG Accounts; and
- iv. PMG sub-accounts (13 resorts, minimum of 7 and maximum of thirty-seven (37) hospitals and 2 agricultural colleges).

b) Non-PRF category accounts

- i. One Provincial Legislature and its sub-accounts;
- ii. Participating Provincial Public Entities accounts and their respective sub accounts; and
- iii. One Tribal Levies and Trust account.

11.1.2. The successful bidder must be able to accommodate any additional accounts that may be required by the Principal and same terms and conditions of this bid shall apply to all participants.

11.1.3. The successful bidder must be able to open any of the bank accounts required by the Principal within seven (7) working days upon receipt of the formal request.

11.2 Configuration of provincial bank account

The successful bidder must configure the provincial bank accounts as follows: -

11.2.1 PRF Category Accounts

11.2.1.1 Exchequer account

- a) The account must only receive and transfer funds from/to the Limpopo PMG accounts, National Treasury, National Departments and Corporation for Public Deposits (CPD) account in the South African Reserve Bank unless directed otherwise in writing by the Principal.
- b) The account number must not be revealed to the public.
- c) The bank account must electronically interface with government financial systems on daily basis.
- d) Card issuance, cash withdrawals, as well as debit and stop orders, are not allowed against/through this bank account.

11.2.1.2 Two control accounts for interests and bank charges

- a) Interest account – the provincial bank accounts must operate in a set-off arrangement where interest is calculated and compounded daily on the Net Provincial Group Balance. Interest account must be credited with total

compounded interest in the first week of each subsequent month and immediately sweep to the Treasury PMG Account.

- b) Bank charges account – Bank charges for each bank account must be debited against the bank charges account with clear referencing of the source account and transaction date. Bank charges account must sweep monthly to the Treasury PMG account for the payment. The bank must be able to provide a reconciliation of bank charges per bank account on monthly basis.
- c) Card issuance, cash withdrawals, as well as debit and stop orders, are not allowed against/through this bank account.

11.2.1.3 PMG Accounts

- a) There shall be one PMG account for each of the eleven (11) provincial departments and the bank accounts must: -
 - i. Electronically interface with government financial systems on daily basis;
 - ii. Not allow debit and credit card issuance, cash withdrawals, as well as debit and stop orders;
 - iii. Not allow direct cash refunds/reversal;
 - iv. Have deposit identification reference (for both manual and electronic deposits) to identify all the depositors for reconciliation purpose;
 - v. Not allow bank charges to be physically debited against each PMG account; and
 - vi. Not allow any cheque payments and/or cheque deposits.
- b) The successful bidder must provide deposit slips for use by provincial departments and members of the public for depositing money into all the PMG Accounts.
- c) Images of deposits to be immediately transmitted upon request to the designated provincial departments officials. The bidder to demonstrate different options of providing images if deposited at multiple banks.

11.2.1.4 PMG Sub-Accounts

The sub-accounts must: -

- a) be linked to the respective nominated PMG accounts.
- b) have deposit identification reference to identify all the depositors for reconciliation purpose.
- c) not accept cheque deposits.
- d) not allow debit and credit card issuance, cash withdrawals, as well as debit and stop orders.
- e) Images of deposits to be immediately transmitted upon request to the designated provincial departments officials. The bidder to demonstrate different options of providing images if deposited at multiple banks.
- f) The Resort accounts are not allowed to make any payments except on written instruction for refund on reservation cancellations and transfer of total monthly collections into the PMG: Economic Development, Environment and Tourism.
- g) Hospital accounts must sweep monthly to the Department of Health's PMG account.
- h) Prevent any reversals on the account without the written approval of the provincial departments.
- i) Not allow any direct cash refund/reversal.
- j) Not allow inward forex charges.

11.2.2 Non-PRF Category Accounts

Tribal Levies and Trust, Legislature and Provincial Public Entities accounts. These accounts are independent of the PRF Category accounts and are not part of the set-off arrangement.

The accounts must: -

- a) Have deposit identification reference to identify all the depositors for reconciliation purpose.
- b) have a transaction identification reference to identify payments.
- c) The sweeping arrangement does not apply to these accounts, and interest and bank charges are to be debited against these accounts.
- d) Any further operational arrangements for these accounts to be agreed to by the Principal.

11.2.3 Additional bank accounts

The bidder may be required to open and configure the petty cash account as and when required by the Principal. Should a need arise for any additional account, the bidder should be able to open such.

11.3 Technological Capabilities

The bidder must give assurance on the reliability of network infrastructure to mitigate downtime and demonstrate the responsiveness of their technological capabilities. Bidder(s) must confine themselves to, amongst others but not limited to the following: -

11.3.1 Electronic banking system

The successful bidder must provide an electronic banking system that is compatible with the government financial systems as well as other systems that are used by Legislature and Provincial Public Entities to enable the following:

- a) The daily interface of transactions for reconciliation purposes.
- b) Electronic Bank Transfer (EBT) for payment of goods and services, and compensation of employees.
- c) Referencing of all deposits including proposals on the mechanism to positively identify such deposits.
- d) On-line, real-time transaction and notification (bank statement) of the movement of cash, in and out of the Provincial Revenue Fund and all Paymaster General Accounts.
- e) Interbank transactions.
- f) Direct on-line recalls, stop payment and reversal facilities.
- g) Direct on-line, real-time account enquires.

11.3.2 On-Line Banking System

The successful bidder must provide an online banking system that gives LPG access to its bank accounts for the following purpose: -

- a) View and print transactions, daily balances and bank statements for a period of one hundred and eighty (180) days after transacting.

- b) Processing Exchequer transfers to CPD account, as well as provincial and national departments.
- c) Bank accounts verification.
- d) Real-time automated submission of payments.
- e) Allow real-time processing of bank credit transfers within and across banks.
- f) Be secured against unauthorized users and fraudulent transactions.
- g) On-line consolidated cash management systems that will provide access to view real-time interest rates.

11.3.3 Bank Statements

The successful bidder must: -

- a) Provide bank statements for all bank accounts on daily basis in a format prescribed by the Principal for reconciliation purposes.
- b) Provide monthly detailed bank statements for bank charges account reflecting different categories of charges.
- c) Provide daily set-off bank statement, listing all PRF Category accounts' balances, net group balances, as well as daily applicable interest rates.
- d) Provide Non-PRF category accounts statement that reflect their respective interest and bank charges.
- e) Archive bank statements for the duration of the contract and have a retention period of at least six months after the expiry of the contract.
- f) Clear referencing of transactions for reconciliation purposes.

11.3.4 Unique pre-numbered deposit books

The successful bidder must: -

- i. Provide unique pre-numbered deposit books in triplicate to all Client Departments in a format to be prescribed by the Principal as and when required; and

- ii. For the duration of the contract supply and deliver deposit books to the Principal or Legislature and Provincial Public Entities within fourteen (14) working days from the day of receiving an official purchase order.

11.3.5 Point of Sale Devices

11.3.5.1 Card present

The successful bidder must: -

- a) Provide point of sale devices as and when required by Client Departments and such devices must accept credit, debit and other cards and be linked to the respective Client Departments bank accounts.
- b) Ensure that the point-of-sale device must have ability to take more than one networks.
- c) Advise Client Departments on the risks associated with the use of the point of sale devices and the mitigations thereof.
- d) Ensure that any existing point of sale devices are replaced or reconfigured to be functional and linked to the relevant Client Department bank accounts to avoid interruption of the services at the start of the contract.
- e) Ensure that any new point of sale devices are made functional and linked to the relevant Client Department bank accounts within seven (7) working days upon receipt of the devices.
- f) Ensure that transactions performed through the device reflect in the relevant bank account on the same day of processing.
- g) Ensure that no reversal or refund is effected through the device.
- h) Provide a report on the utilization of the point of sales device daily, monthly and any other period that may be required by the Principal and Client Departments.
- i) Ensure that the monthly rental includes maintenance and provision of till rolls.
- j) Ensure that all the charges concerning the point of sale devices for provincial departments should be billed against the bank charges account. For Legislature and provincial public entities the charges for point of sale devices must be billed against their respective bank accounts (i.e. Non-PRF category accounts).

- k) Provide merchant statement for each device.
- l) Provide access to Merchant on-line system.

11.3.5.2 Card Not present

The successful bidder must: -

- a) Provide online merchant system that can integrate with the online service system of the Client Departments.
- b) The online merchant system must accept credit, debit and other cards and be linked to the respective Client Departments bank accounts.
- c) Advise Client Departments on the risks associated with the use of the online merchant system and the mitigations thereof.
- d) Ensure that any existing online merchant system are replaced or reconfigured to be functional and linked to the relevant Client Department bank accounts to avoid interruption of the services at the start of the contract.
- e) Ensure that transactions performed through the online merchant system reflect in the relevant bank account on the same day of processing.
- f) Ensure that no reversal or refund is effected through the online merchant system.
- g) Provide a report on the utilization of online merchant system daily, monthly and any other period that may be required by the Principal and Client Departments.
- h) Ensure that all the charges concerning the online merchant system for provincial departments should be billed against the bank charges account. For Legislature and provincial public entities, the charges for online merchant system must be billed against their respective bank accounts (i.e. Non-PRF category account).
- i) Provide online merchant system statements on daily and monthly basis.
- j) Provide access to Merchant on-line system.

11.3.6 Bank note counter and fake bank note detector

The successful bidder must provide the note counter and fake detector devices as and when they are required by Client Departments. The Principal will make a determination whether to buy outright or rent the devices: -

- a) On outright purchase option the bidder must provide a twenty-four (24) months warranty.
- b) On the rental option the bidder must ensure that the monthly rental includes maintenance and upgrade of the device.
- c) the devices shall remain the property of the bank for the duration of the contract; and
- d) all charges relating to the devices shall be billed against the bank charges account.
- e) In an event whereby the device is malfunctioning, the bidder must provide a loan device to the Client Department within twenty-four (24) hours upon notification by the respective Client Department.

11.3.7 Cash in Transit (CiT) Service

The successful bidder must: -

- a) Provide Cash in Transit services (inclusive of manual or automated services) as and when required by Client Departments.
- b) Ensure that the monthly rental includes maintenance (including supply of stationery) and upgrade of the device.
- c) Ensure that it has end-to-end insurance for the service.
- d) Ensure all charges relating to the Cash in Transit for Provincial Departments are billed against the bank charges account, against the respective bank accounts for Non-PRF category accounts.
- e) Ensure the automated devices shall remain the property of the bank for the duration of the contract.
- f) Collect cash on a daily basis in line with the schedules agreed upon by the Client Departments.

11.3.8 Travel Lodge Card Facility (TLC)

- a) The Travel Lodge Card facility is a credit card which is specifically designed purely for business travel expenditure such as travel, accommodation and vehicle hire.
- b) The card should be disabled for any other transactions which are not travel-related.

- c) The bidder should provide the following:
 - i. electronic daily and monthly statements for all transactions.
 - ii. notifications of transaction value over a certain amount.
 - iii. Online travel card statement enquiry.
 - iv. Reconciliation per card
- d) The bidders must be able to set/review credit limits for each Client Department.
- e) The bidder should recover the TLC fees and travel related expenditure from the respective Client Department.

11.3.9 Petty Cash Facility

The successful bidder will be required to provide a petty cash facility for use by the Client Departments as and when required. The facility must be in a card form linked to respective PMG accounts with a limit prescribed by the Principal, and must have but not limited to the following capabilities: -

- a) Usability at ATM (for only statement viewing) and Point of Sale Device.
- b) Setting daily and monthly limits.
- c) Client Department identification.
- d) Petty cash statement.
- e) Reconciliation per card and Client Department.
- f) Secured administrative function.
- g) Usability within the borders of the Republic of South Africa.
- h) Recover charges from bank charges account.
- i) Neither internet nor cellphone banking transactions are allowed through the petty cash facility.
- j) Blocking cash withdrawals.

11.3.10 Handling of banking queries

The successful bidder must ensure that: -

- a) All banking related queries are resolved within twenty-four (24) hours and feedback is promptly provided in accordance with the Service Level Agreement.
- b) Query management system is provided to manage turnaround times.

- c) For account enquiries, dedicated telephone assistance and email assistance must be made available to the LPG.

11.3.11 Training and supporting of Client Departments

The successful bidder must provide free training and support to officials of Client Departments on its banking systems, facilities and any operational banking processes of the bidder.

11.3.12 Accountholder verification

The successful bidder must: -

- a) Be able to conduct bulk verification of banking details of government employees and service providers as and when required to ensure the validity of bank accounts.
- b) Transmit accountholder verification reports to the Principal and Client Departments electronically.
- c) Verify the banking details of beneficiaries in the processing of bank credit transfer instructions to prevent fraud and loss of public funds.

11.3.13 Automated Clearing Bureau (ACB) Limits

The successful bidder must: -

- a) Provide ACB facility as required by the Principal.
- b) Ensure that the ACB facility is loaded in a seven (7) days' cycle.
- c) Notify the Principal and Client Departments on any ACB limit rejections as per service levels.
- d) Be able to adjust the ACB limit upon notification by the Principal or Client Departments before the cut-off time for submission of payments files by the National Treasury.
- e) Provide feedback immediately to the Principal and Client Departments on the adjustment of the ACB limits.
- f) Ensure that both PERSAL and BAS tapes are submitted through the bank to BankServ.

- g) Provide VET and unpaid reports to the Principal and Client Departments in line with the payment disbursement schedule.

11.3.14 Overdraft facility

The successful bidder must: -

- a) Provide a minimum overdraft facility of R500 million and quote relevant interest rates.
- b) Quote against a proposed benchmark of R500 million for overdraft facility which may be required from time to time.
- c) Provide details of bank overdraft facility to the Principal with all associated fees.
- d) All charges related to overdraft fees will be billed against the bank charges account.

11.3.15 Service quality and management expertise

The bidder must demonstrate its capacity to provide quality service and management expertise in handling the accounts and giving support to the Principal and Client Departments. The bidder must confine itself to, amongst others but not limited to the following: -

- a) Turnaround times.
- b) Experience of the bank in public sector banking.

11.3.16 Management expertise (Relationship Management Team)

The bidder must have a dedicated relationship management team that have extensive public sector banking experience. The dedicated team must comprise amongst others but not limited to the following: -

- a) Provincial Business Head.
- b) Public Sector Manager.
- c) Relationship Manager.
- d) Minimum of two Account Analysts.
- e) Employee Financial Wellness Manager.
- f) Business on-Line & Cash Solutions.

- g) Provincial Manager Marketing.
- h) Specialist – Merchant Solutions.
- i) Dedicated Manager for Travel Lodge Facility.
- j) Dedicated Manager for Petty Cash Facility.
- k) Dedicated District Manager for Cash in Transit.
- l) Dedicated Manager for Fleet Management.

11.3.17 Foreign Exchange

- a) The Bidder must demonstrate its ability to process forex transactions in payment of National Treasury approved service providers on behalf of Client Departments.
- b) The Bidder must be able to take advantage of favourable exchange rate and guide Client Departments to that effect.
- c) Inward forex charges must not be allowed against the Clients Departments accounts.
- d) The Bidder must be able to provide:
 - i. Training to Client Departments on necessary foreign transaction processes;
 - ii. Report on actual forex transactions for each Client Department; and
 - iii. Proof of payment for each forex transaction within 3 working days.

11.4 Geographic Spread

The bidder must be able to demonstrate its ability and competence to provide commercial banking services through adequate financial systems infrastructure and branch networks to address the needs of the province. To this effect, the bidder must provide the following: -

- a) Number of branches per district.
- b) Number of ATMs per district.
- c) Number of the CIT processing centres per district.
- d) A dedicated public sector teller to give preference to the Revenue Officers in banking state funds.

11.5 Future Development

The successful bidder must be able to accommodate any systems, processes and procedures that may be introduced during the term of the contract by the Principal.

Should a bidder see a need to develop or change systems, processes and procedures that will affect LPG banking arrangement, such should be done with the prior consent of the Principal.

11.6 Value Add Services

The successful bidder must be able to provide the Vehicle Insurance as and when required by the Principal.

The Principal will enter into negotiations with the successful bidder for the required service and if there is consensus, they will enter into a separate agreement (addendum to master agreement).

11.7 Social Responsibility

11.7.1 Group Social Investment (GSI)

The bidder must demonstrate commitment to the Limpopo Provincial Government Development Plan. The bidder must indicate their financial commitments towards Group Social Investment programmes.

11.7.2 Corporate Social Investment (CSI)

The bidder must commit towards poverty alleviation, reducing unemployment and closing inequality gaps in Limpopo Province. To this end, bidders must indicate their financial commitments towards, amongst others but not limited to the following programmes as the result of this contract: -

Programme	Committed Amount for the duration of the Contract (please indicate the amount for each year)			Committed amount if contract is extended for a further period not exceeding twenty-four (24) months (please indicate the amount for each year)	
	Year 1 R'000	Year 2 R'000	Year 3 R'000	Year 4 R'000	Year 5 R'000
Education e.g., Bursaries, Early Childhood Development (ECD), etc.					
Health e.g., Tuberculosis (TB), Malaria, Human Immunodeficiency Virus (HIV) and Acquired Immunodeficiency Syndrome (AIDS) programmes, etc.					
Housing e.g. destitute families and persons living with disability, etc.					
Enterprise Development Programme e.g., a) Financial support to SMME's (Government purchase orders / Contract finance, financing new and existing farmers, Soft loans and grants), b) Non-Financial support (Trainings / workshops)					

Programme	Committed Amount for the duration of the Contract (please indicate the amount for each year)			Committed amount if contract is extended for a further period not exceeding twenty-four (24) months (please indicate the amount for each year)	
	Year 1 R'000	Year 2 R'000	Year 3 R'000	Year 4 R'000	Year 5 R'000
Youth Development, Women and Disabled in any sector					
Infrastructure Development and Maintenance					
Agriculture/Farming e.g., Food Security, Land Reforms and Rural Development, Market Access Programmes, etc.					
Crime Prevention and Social Support e.g., Victim Empowerment Programme, Substance Abuse Programme, Children Diversion Programme, Orphans and Vulnerable Children Programme, etc.					

11.7.3 Donations/sponsorships

The bidder must commit towards Limpopo Provincial Government culture and business objectives. To this end, bidders must indicate their financial commitments towards donations and/or sponsorships that contribute to the advancement of corporate values and culture.

Programme	Committed Amount for the duration of the Contract (please indicate the amount for each year)			Committed amount if contract is extended for a further period not exceeding twenty-four (24) months (please indicate the amount for each year)	
	Year 1 R'000	Year 2 R'000	Year 3 R'000	Year 4 R'000	Year 5 R'000
Donation (charitable in nature (once off voucher, goods and/or services)					
Sponsorship (recurring formal agreement which is mutually beneficial e.g., Matric Awards, Post Budget Breakfasts, Sporting Activities, etc.)					

11.8 Provision of Employee Financial Wellness Services

The successful bidder must provide details of its commitment to render financial wellness services to Limpopo Provincial Government employees annually, over the contract period. The programmes include but not limited to the following: -

- a) Personal Budgeting.
- b) Debt management / debt restructuring.

- c) Debt counselling
- d) Everyday financial transactions.
- e) Saving/investment.
- f) Insurance.
- g) Wills.
- h) Financial literacy.

11.9 Provision of Skills Development and Capacity Building

11.9.1. In providing skills development and capacity building to Limpopo government officials, the successful bidder must confine itself to, amongst others but not limited to the list of programmes outlined below.

11.9.2. Bidders must indicate their annual committed amount to skills development and capacity building to Limpopo Provincial Government officials over the contract period.

Programme	Committed Amount for the duration of the Contract (please indicate the amount for each year)
	Year 1 R'000
Expenditure Management	
Strategic Planning & Risk Management	
Budget management	
	Year 2 R'000
Revenue & Debtors Management	
Asset Management	
Cash Management	
Infrastructure Management (including Public-Private Partnerships)	
Policy Development	

	Year 3 R'000
Supply Chain Management	
Financial Systems Management (Information Technology)	
Financial Accounting (including Financial Statements & Reconciliations)	
Auditing Processes (Development & Execution)	
Monitoring and evaluation procedure	
Financial Accounting (including Financial Statements & Reconciliations)	
Committed amount if contract is extended for further period not exceeding twenty-four (24) months (please indicate the amount for each year)	
	Year 4 R'000
All Programmes (Max 5 per year)	
	Year 5 R'000
All Programmes (Max 5 per year)	

11.10 Procurement of goods and services within Limpopo Province

The bidder must provide details of its commitment to spend toward the stimulation of the local economy within Limpopo Province. The bidder must confine itself to, amongst others but not limited to the following: -

Goods and Services	Committed Amount for the duration of the Contract			Committed amount if contract is extended for a further period not exceeding twenty-four (24) months	
	Year 1 R'000	Year 2 R'000	Year 3 R'000	Year 4 R'000	Year 5 R'000
Cleaning Services					
Security services					
Construction/renovations					
Preventative maintenance					
Catering services					
General supply e.g. supply of stationery and other consumables					

12. EVALUATION AND SELECTION CRITERIA

The Principal has set minimum standards (Gates) that a bidder needs to meet to be evaluated and selected as a successful bidder. The minimum standards consist of the following: -

Administrative and Mandatory requirement (Gate 1)	Technical Evaluation Criteria (Gate 2)	Net Benefits Evaluation Criteria (Gate 3)
Bidders must submit all documents as outlined in paragraph 12.1. (Table 1) below. Only bidders that comply with ALL these criteria will proceed to Gate 2.	This gate comprises of two parts, viz Desktop Technical Evaluation and Presentation. Bidders must score minimum of 80 points out of 100 in order to proceed for further evaluation in Gate 3 (Net Benefit Offered).	Bidder(s) will be evaluated on net benefit offered as calculated in Annexure "A".

12.1 Gate 1: Administrative and Mandatory requirements

Without limiting the generality of the Principal's other critical requirements for this Bid, bidder(s) must submit the documents listed in **Table 1** below. All documents must be completed and signed in black ink by the duly authorised representative of the prospective bidder(s). **Correction fluid is not allowed and any cancellation on the bid document must be initialled by the authorized signatory.** During this phase, Bidders' responses will be evaluated based on compliance with the listed administration and mandatory bid requirements. The bidder(s) proposal may be disqualified for non-submission of any of the documents.

Table 1: Documents that must be submitted for Administrative and Mandatory requirements

Document that must be submitted	Non-submission may result in disqualification.	
Original Bid Documents	YES	Duly completed and signed.
Invitation to Bid – SBD 1	YES	Complete and sign the supplied pro forma document with a fixed physical address for their business operations for in-loco inspection.
Proof of authority to sign the bid offer.	YES	Letter of authority or signing mandate.
Tax Status	YES	Tax compliant status reflected on the CSD report. Tax verification will be done in line with SCM Instruction Note 7 of 2017/18 and/or the latest relevant prescript.
Pricing Schedule (Non-Firm prices) – SBD 3.2	YES	Duly complete
Declaration of Interest – SBD 4	YES	Duly complete and sign the supplied pro forma document.
Proof of registration on Central Supplier Database (CSD).	YES	CSD Registration Number should be indicated on SBD 1 Form
Proof of registration with South African Registrar of Banks.	YES	Registration with South African Registrar of Banks
Approval letter from National Treasury as prescribed by section 7(2)(a) of the PFMA	YES	Letter from National Treasury as prescribed by section 7(2)(a) of the PFMA
Proof of registration with Financial Sector Conduct Authority (FSCA)	YES	Registration with Financial Sector Conduct Authority

Document that must be submitted	Non-submission may result in disqualification.	
Proof of registration with Automated Clearing Bureau (BankServ)	YES	Registration with Automated Clearing Bureau
Proof of registration with Payment Association of South Africa (PASA)	YES	Registration with Payment Association of South Africa (PASA)
Pricing and Interest Schedule	YES	Annexure "A" must be completed in full for all service categories and be submitted in a separate envelope. Where the bidder has omitted to put price calculations for certain price categories and/or interests calculations on favourable bank balances the offer will not be accepted and will be disqualified as it will not be comparable with others who have quoted for all service categories.

12.2 Gate 2: Technical Evaluation Criteria = 100 points

- 12.2.1. All Bidders are required to respond to the technical evaluation criteria. Only Bidders that have met the Administrative and Mandatory requirements in (Gate 1) will be evaluated in Gate 2 for functionality as per the attached Annexure "B".
- 12.2.2. Gate 2 comprises of the following parts as outlined in the below.

Technical Evaluation Criteria = 100 points

Parts	Functionality	Points Achievable
Part 1	Desktop Technical Evaluation Details found in Annexure B will be used to evaluate Bidders on Part 1.	80
Part 2	Presentation Details found in the presentations as per the criteria set in Annexure B will be used to evaluate Bidders in Part 2.	20
Total	Only Bidders who score the minimum of 80 points out of 100 will proceed for further evaluation in Gate 3.	100

12.2.3. As part of due diligence, the Principal may conduct a site visit at the bidders' place of business (as per the physical address provided by the bidder on SBD1) and/or at a client of the Bidder (reference) for validation of the services previously rendered.

12.3 Gate 3: Net Benefit Evaluation Criteria

12.3.1. Limpopo Provincial Treasury regards procurement as a strategic tool through which socio-economic challenges can be addressed. To this end, it has been noted that the benefits that the Limpopo Provincial Government derive out of the contract for commercial banking services outweigh the service costs.

12.3.2. It is against this background that this bid will be awarded to the bidder who gives most net benefits to Limpopo Provincial Government as calculated in Annexure "A".

12.3.3. Only Bidders that have met the 80 points threshold in Gate 2 will be evaluated in Gate 3 for Net Benefit offered. Only the calculated net benefit for the first twelve (12) months will be used to evaluate and award the bid as follows: -

Item Description	Point of reference
Total Banking Cost	Part A of Annexure "A"
Total Interest on favourable credit balance	Part B of Annexure "A"
Net benefit	Part C = Part B – Part A

13. GENERAL CONDITIONS OF CONTRACT

Any award made to a bidder under this bid is conditional, on the bidder entering into a contract with the Principal and the bidder accepting the terms and conditions contained in the General Conditions of Contract.

14. CONTRACT PRICE ADJUSTMENT

- 14.1. Prices must remain firm for the first twelve months of the contract period, thereafter price adjustment applications shall be considered on twelve months intervals in accordance with the provision of SBD3.2 with the maximum price adjustment of the Consumer Price Index (CPI) Headline Inflation.

STATS SA P0141 (CPI), Table E	Table E - All Items
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- 14.2. The interest rate formula offered by the bidder in Annexure "A" must remain firm throughout the contract, while the interest rate fluctuates in line with the prime rate.
- 14.3. Bidders must duly complete SBD3.2 including all the factors influencing price adjustments.
- 14.4. Bidders must reflect all prices in Annexure "A", and not anywhere else in their bid proposal.

15. BID PRICING

- 15.1. Bidders should quote for all items as per the attached Annexure "A" and must express prices for their services in South African currency (Rand and cents).
- 15.2. All prices must be inclusive of Value Added Tax where applicable and any other costs necessary for the execution and completion of the contract in accordance with the bid document.
- 15.3. Pricing and interest rates for LPG Accounts shall apply to all other accounts opened by the Principal.

16. COMPULSORY BRIEFING SESSION

Bidders must attend a compulsory briefing session scheduled as follows: -

Date	Venue	Time
13 November 2024	Physical Venue: Department of Health: Auditorium: 18 College Street, Polokwane 0700	10:00

17. SERVICE LEVEL AGREEMENT

- 17.1. Upon award of the bid, the Principal will sign a Service Level Agreement (SLA) with the appointed service provider regulating the specific terms and conditions applicable to the services.
- 17.2. The Principal reserves the right to accept or reject any or all amendments or additions proposed by the successful bidder if such amendments or additions are unacceptable to the Principal or pose a risk to the organisation.
- 17.3. Both parties must ensure adherence to the SLA.
- 17.4. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

18. PREPARATION COSTS

The Bidder will bear all costs in preparing, submitting and presenting any response or bid to this bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in this bid will be construed as placing the Principal, Client Departments, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the bidder(s) in the preparation of their response to this bid.

19. RESERVATION OF RIGHTS

The Principal reserves the right to: -

- a) Request further information from any bidder after the closing date of the bid.
- b) Communicate only with the shortlisted bidders as and when necessary.
- c) Verify information and documentation of respective bidder.
- d) Not make an award.
- e) Award the bid partially or in whole.
- f) Extend and not to extend the contract.
- g) Enter into price negotiations with any preferred bidder (this includes Value Add Services).
- h) Appoint a third party to evaluate the service providers' compliance with aspects of this bid.
- i) Cancel the contract, if it is satisfied that any person (being an employee, partner, director or shareholder of the bidder or a person acting on behalf of or with the knowledge of the bidder), firm or company (The expression "person, firm or company" shall include an authorized employee or agent of such a person, firm or company): -
 - i. is executing a contract with government unsatisfactorily;
 - ii. has offered, promised or given a bribe or remuneration to any officer or employee in the Public Service in connection with obtaining or executing a contract;
 - iii. has acted in a fraudulent manner or in bad faith or in any other unsatisfactory manner in obtaining a contract with any government department, provincial

- administration, public body, company or person, or that he/she has managed his/her affairs in such a way that he/she has in consequences there-of been found guilty of a criminal offense;
- iv. has approached an officer or employee in the Public Services before or after tenders have been called for, to influence the award of the contract in his/her favour;
 - v. has withdrawn or amended his tender after the time set for the receipt and opening of tenders;
 - vi. when advised that his/her tender has been conditionally accepted, has given notice of his/her inability to execute or sign the contract or furnish any security required;
 - vii. has entered into any agreement or arrangement, whether legally binding or not, with any other person, firm or company to refrain from tendering for this contract, or as to the amount or the tender to be submitted by either party; and
 - viii. has disclosed to any other person, firm or company the exact or approximate amount or his/her proposed tender except where disclosure, in confidence, was necessary to obtain insurance premium quotations for the preparation of the tender; the Limpopo Provincial government may, in addition to any other legal recourse which it may have, cancel the contract between the employer and such person, firm or company and/or resolves that no tender from such a person, firm or company will be favorably considered for a specific period.
- j) Cancel the bid in instance where there is major change in the scope of service.

20. ESTIMATED TRANSACTIONAL VOLUMES

The estimated transactional volumes and estimated average daily credit bank balance are provided in Annexure "A". The estimated transactional volumes and estimated average daily credit bank balance are only provided to assist bidders to determine their ability to handle the volume and complexity of the business requirement, and should only be used as a guide and relied upon in the context of completing the bid. **These estimates do not guarantee the actual volumes or sales mix.**

20.1 PRF Category Accounts

20.1.1. Exchequer Account

- a) The Exchequer account receives the annual provincial budget comprising of equitable share, conditional grants, donations and own revenue collections on weekly basis from National Revenue Fund, Donors and Provincial Departments.
- b) Equitable share is transferred by National Treasury on weekly basis as per national payment schedule into the provincial Corporation for Public Deposit (CPD) account in the South African Reserve Bank and withdrawn into Exchequer account in line with the payment disbursement schedule of the province.
- c) Conditional grant is transferred directly from respective national departments into Exchequer Account on weekly basis in line with national payment schedule.
- d) Own revenue collections by departments are deposited daily into respective PMG accounts of the departments and transferred monthly into Exchequer account.

20.1.2. Pay master-General (PMG) Accounts

- a) The province has twelve (12) departments with each operating its own PMG account. Each department receives its annual appropriated budget comprising of Equitable Share and Conditional Grants including Donations from Exchequer accounts on monthly basis in line with provincial payment schedule. Departments also deposit revenue that they collect through cashier point into respective PMG accounts daily, while some of their clients deposit their dues directly into respective PMG accounts using various methods e.g. over the counter or electronic banking.
- b) In terms of Public Service Regulation, PFMA and Treasury Regulations departments are obliged to pay: -
 - i. employee salaries and benefits when they fall due;
 - ii. suppliers' invoices within 30 days from date of receipt;
 - iii. own revenue collections into Exchequer account on monthly basis;
 - iv. preceding financial year unspent budget into Exchequer account immediately after financial year end closure; and
 - v. any court order within prescribed timeline.

- c) In receiving all funds, effecting all payments and accounting for each of their transactions as outlined above Client Department need a seamless relationship between government financial systems (BAS, PERSAL and SAGE) and banking system (electronic banking) that includes efficient and effective regular interface and referencing of transactions for ease of identification and reconciliation.
- d) The Client Departments process payments as follows: -
- i. normal salaries either on the 15th, 22nd, 25th or the last working date of the month;
 - ii. two supplementary payments which includes travel claims and other allowances due to the employees on or about the 15th of the months and the last Monday of the month respectively;
 - iii. suppliers twice a month for goods and services on or about the 15th and the last day of the month for provincial departments; and weekly for Legislature and Public Entities;
 - iv. process special payment runs as and when a need arises;
 - v. process credit transfers on or about the 15th and the last date of the month through on-line banking system i.e. for payments above R1 million (BAS payments) and above R5 million (PERSAL payments);
 - vi. process manual bank credit transfers for urgent payments; and
 - vii. process transfer of own revenue to Exchequer account on or about the 15th of the month.

20.2 PMG Sub-accounts

20.2.1. Wildlife Resorts accounts

- a) These are Thirteen (13) Wildlife Resorts accounts under Department of Economic Development, Environment and Tourism.
- b) The accounts are meant for deposit and reconciliation of revenue collected from tourists who visit for various purposes including day visits, accommodation, game hunting, fishing, etc.
- c) The Resort accounts are not allowed to make any payment except on written instruction for refund on reservation cancellations and transfer of total monthly collections over to PMG account.

- d) The Resorts receive bookings from both domestic and international clients with foreign inward transactions.
- e) Clients have various options to arrange bookings and making payments which include:-

Booking Option	Payment Method
Telephone booking	Cash Deposit, ATM, electronic banking, etc
Wall-in booking	Cash, Point of Sale Devices, etc
Online booking through Central Reservation System	Online Merchant Services

- f) Each Resort is expected to bank its cash collections on daily basis into the Resort Account.
- g) All transactions, cash, direct deposits and online payments must be monitored daily and reconciled monthly.

20.2.1 Hospital Accounts

The hospital sub-accounts are under Department of Health. The department has forty-one (41) hospitals in the province comprising two (2) Tertiary Hospitals, five (5) Regional Hospitals, thirty (30) District Hospitals, and four (4) Special Hospitals. Thirty-seven (37) hospitals comprising Tertiary Hospitals, Regional and District Hospitals receive revenue in patient fees from various stakeholders including directly from patients, medical aids, Road Accident Fund, Correctional Services, etc. Four Special Hospitals usually gets their revenue from intergovernmental transactions such as Department of Justice, staff rentals and parking fees. The department may need to open individual accounts for the thirty-seven (37) hospitals in pilot phases starting with seven (7) hospitals, viz Tertiary and Regional, and followed with thirty (30) District Hospitals. The accounts are not allowed to make any payments, but to sweep the total monthly collections over to the PMG: Health: -

- a) Payments are received in cash, direct bank deposit, through point of sale devices and on-line transfer.
- b) Each hospital is expected to bank its cash collections on daily basis into the hospital account.
- c) All transactions, cash, direct deposits, point of sale devices and online payments must be monitored daily and reconciled monthly.
- d) All revenue collected into each hospital account must sweep on the last day of the month into PMG of the nominated bank account.

20.2.2 Agricultural College Accounts

These are two sub-accounts for Agricultural Colleges under Department of Agriculture and Rural Development and function as follows:

- a) Receive revenue in registration and tuition fees from the students/bursars as well as any other services.
- b) Receive payments in cash, direct bank deposit, through point of sale devices and on-line transfer.
- c) Accept banking of daily cash collections
- d) Provide information for daily and monthly monitoring and reconciliation of all transactions, viz cash, direct deposits, point of sale devices and online payments.
- e) May not make payments except on written instruction from the Client Department (Department of Agriculture and Rural Development)

ANNEXURE "A"

PRICING AND INTEREST SCHEDULE

PLEASE ENCLOSE IN A SEPARATE ENVELOPE – ENVELOPE MUST BE LABELLED AS PRICING & INTEREST SCHEDULE

Name of the bidder (Company): _____

NB: The estimated transactional volumes and estimated average daily credit bank balance are only provided to assist bidders to determine their ability to handle the volume and complexity of the business requirement; and should only be used as a guide and relied upon in the context of completing the bid. The estimated volumes are only for the Provincial Departments and not including Public Entities. **These estimates do not guarantee the actual volumes or sales mix.**

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Price and interest will have a major influence on decision-making at the time of considering the awarding of the bid. Therefore, bidders are required to price for all the items listed in the table below: -

PART A: BANKING COST

Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
1	Deposits				
1.1	Deposit books				
1.1.1	Self-carbon 50-page book, each page in triplicate, A4 size paper, with pre-printed reference numbers.			1200	
1.2	Cash deposit fee per transaction				
1.2.1	Over the Counter/Branch Deposits				
1.2.1.1	R1 – R10 000			12888	
1.2.1.2	R10 001 – R30 000			208	
1.2.1.3	R30 001 – R50 000			25	
1.2.1.4	Above R50 000			42	

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Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
1.2.2	Cash Processing Centre Deposits				
1.2.2.1	R1 – R10 000			10740	
1.2.2.2	R10 001 – R30 000			1060	
1.2.2.3	R30 001 – R50 000			20	
1.2.2.4	Above R50 000			150	
1.3	Electronic Deposits fee per transaction				
1.3.1	R1 – R10 000			2098	
1.3.2	R10 001 – R30 000			13	
1.3.3	R30 001 – R50 000			1060	
1.3.4	Above R50 000			7644	

Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
2.	Merchant Services - Point of sale				
2.1	Merchant Services (Card Present) (dual network as and when required)				
2.1.1	Point of Sale Device Rental				
2.1.1.1	Installation fee per device			158	
2.1.1.2	Monthly rental per device (Mobile) (780 = 65 devices x 12 months)			780	
2.1.1.3	Monthly rental per device (Desktop with pin pad) (120 = 10 devices x 12 months)			120	
2.1.2	Merchant Commission Fees (Card Present)				
2.1.2.1	Credit cards			6830	
2.1.2.2	Debit Cards			90540	
2.1.2.3	Other special cards			183	

Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
2.2	Merchant Services (Card Not Present)				
2.2.1	Online Merchant commission fee (Card not present)				
2.2.1.1	Credit cards			780	
2.2.1.2	Debit Cards			780	
2.2.1.3	Other special cards			780	
3.	Deposit identifier				
3.1	Set-up Fee Per Account				
3.1.1	Development and set-up fee per account (67 Accounts = 11 PMG+1 Exq+37 Hospital+13 Resort+2 College+ 2 public entities+ 1 Legislature)			67	
3.2	Validation				
3.2.1	Over the counter deposit			13163	
3.2.2	Cash processing centre			11970	
3.2.3	Electronic deposit			10815	

Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
3.2.4	Point of sale devices (Card Present)			15203	
3.2.5	Point of sale devices (Card not Present)			2340	
4.	Payments				
4.1	ACB Transactions				
4.1.1	User fee per Bankserv Code				
4.1.1.1	Set-up fee (15 Accounts = 11 PMG + 1 Exchequer+2 public entities+ 1 Legislature)			15	
4.1.1.2	Loading of additional user code as and when required			1	
4.1.1.3	Monthly fee (180 = (11 PMG + 1 Exchequer+2 public entities+ 1 Legislature) x 12 months)			180	
4.2	Transaction Processing				
4.2.1	Fee per transaction (2 400 000 = 200 000 transactions x 12 months)			2 400 000	
4.2.2	Error processing as and when required			1	
4.3	Setting of limits				

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Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
4.3.1	Initial limits (98 = (11 PMG +2 public entities+ 1 Legislature)x 7 ACB limit sets)			98	
4.3.2	Future adjustment of limit (72 = 6 limits per month x 12 months)			72	
4.4	Rejection fee				
4.4.1	Single item (as and when occurs)			1	
4.4.2	Aggregate/Batch (as and when occurs)			1	
4.5	Payment recall instruction				
4.5.1	Recall prior action date (early recall)				
4.5.1.1	Single item recall as and when required (840 = 5 recalls x (11 Departments+2 public entities+ 1 Legislature)x 12 months)			840	
4.5.1.2	Batch recall as and when required			1	
4.5.2	Recall after action date of payment (late recall)				
4.5.2.1	Successful recall (24 = 2 recalls x 12 months)			24	
4.5.2.2	Unsuccessful recall (12 = 1 recall x 12 months)			12	

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Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
4.6	Payment reports per run				
4.6.1	Payments report (VET report) (1140 =(7 runs x 11 Departments) + (6 x 2 public entities) + (6 x 1 Legislature) x 12 months)			1140	
4.6.2	Payment rejections report (EF70) (1140 =(7 runs x 11 Departments) + (6 x 2 public entities) + (6 x 1 Legislature) x 12 months)			1140	
5.	On line banking				
5.1	Set-up fee (per bank account) (69 Accounts = 11 PMG+1 Exq+2 Control Acc+37 Hospital+13 Resort+2 College+2 public entities+ 1 Legislature)			69	
5.2	Maintenance of user profiles by the bank				
5.2.1	User registration (276 = 69 accounts x 4 users)			276	
5.2.2	Password reset (as and when required) (276 = 69 accounts x 4 users)			276	
5.2.3	User re-activation (as and when required) (276 = 69 accounts x 4 users)			276	
5.3	Maintenance of user profiles (Self-administration by the Principal)				
5.3.1	User registration (276 = 69 accounts x 4 users)			276	

Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
5.3.2	Password reset (as and when required) (276 = 69 accounts x 4 users)			276	
5.3.3	User re-activation (as and when required) (276 = 69 accounts x 4 users)			276	
5.4	Bank credit transfers (BCT) - (pay same day)				
5.4.1	Payments > R 1 million manual submission (480 = 40 BCT x 12 months)			480	
5.4.2	Payments < R 1 million manual submission (as and when required)			1	
5.4.3	Payments > R 1 million automated submission (3840 = 320 BCT x 12 months)			3840	
5.4.4	Payments < R 1 million automated submission (as and when required)			1	
6	Bank statements				
6.1	Email statements (PDF) (25185 = 69 accounts x 365 days)			25185	
6.2	Duplicate statements (per statement) as and when required (2519 = 10% of 25185)			2519	
6.3	On line bank statements (min 180 days) (69 Accounts = 11 PMG+1 Exq+2 Control Acc+37 Hospital+13 Resort+2 College+2 public entities+ 1 Legislature)			69	
6.4	Duplicate statement after the lapsing of the contract (per statement) as and when required (2519 = 10% of 25185)			2519	

Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
7	Account holder verifications				
7.1	Per transaction verification				
7.1.1	Per transaction (accounts within the bank)			1	
7.1.2	Per transaction (accounts with other banks)			1	
7.2	Bulk verification				
7.2.1	Bulk verification (accounts within the bank)			14	
7.2.2	Bulk verification (accounts with other banks)			14	
8	Account handling fee				
8.1	Monthly fee per account (828 = 69 accounts x 12 months)			828	
8.2	Handling of queries (only queries born out of the error of the client department) as and when required			1	
8.3	Audit certificate fee per account (69 = 69 accounts x 1 per year)			69	
8.4	Forex fee per transaction (15 = 11 Departments x 1 transaction each+2 public entities+ 1 Legislature)			15	

Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
9	Sweeping Fee				
9.1	Set-up fee (Once off) (39 Accounts = (2 Control Acc+37 Hospital)			39	
9.2	Sweeping fee per account per month (468 = 39 accounts x 12 months)			468	
10	Petty Cash Facility (as and when required)				
10.1	Card activation fee (69 Petty Cash Cards = 11 Provincial Departments +40 Hospital+13 Resort+2 College+2 public entities+ 1 Legislature)			69	
10.2	Transaction fee			1	
10.3	Setup Fee (69 Petty Cash Cards = 11 Provincial Departments +40 Hospital+13 Resort+2 College+2 public entities+ 1 Legislature)			69	
10.4	Transfer fee (69 Petty Cash Cards = 11 Provincial Departments +40 Hospital+13 Resort+2 College+2 public entities+ 1 Legislature)			69	
10.5	Administration fee (69 Petty Cash Cards = 11 Provincial Departments +40 Hospital+13 Resort+2 College+2 public entities+ 1 Legislature)			69	
10.6	Card replacement fee (69 Petty Cash Cards = 11 Provincial Departments +40 Hospital+13 Resort+2 College+2 public entities+ 1 Legislature)			69	

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Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
11	Cash-in Transit (CiT) as and when required				
11.1.	Cash Drop Box				
11.1.1	Installation Fee			1	
11.1.2	Monthly Rental			1	
11.2	Collection Fee (from the revenue collection point to the nearest branch)			Number of Pickups per site	
11.2.1	1 x Weekly per site (1 sites X 52 Weeks)			52	
11.2.2	2 x Weekly per site (1 sites X 104 Weeks)			104	
11.2.3	3 x Weekly per site (1 sites X 156 Weeks)			156	
11.2.4	4 x Weekly per site (1 sites X 208 Weeks)			208	
11.2.5	5 x Weekly per site (39 sites X 260 Weeks)			10 140	
11.2.6	Ad-Hoc Per trip			1	
11.3	Cash processing				
11.3.1	Per Transaction (43 sites X 260 Weeks)			11 180	

Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
12.	Bank Note Counting and Fake Bank Note Detecting Devices (as and when required)				
12.1	Outright Purchase Option				
12.1.1	Portable Fake Note Detector (UV light): Outright Purchase option, including installation			1	
12.1.2	Portable Note Counter and Fake Note Detector: Outright Purchase option including installation and maintenance (LCD display, automatic multi-currency cash banknote counter machine with UV MG counterfeitt detector external display panel)			1	
12.2	Lease Option				
12.2.1	Portable Note Counter and Fake Detector: Lease option (LCD display, automatic multi-currency cash banknote counter machine with UV MG counterfeitt detector external display panel)				
12.2.1.1	Installation fee			1	
12.2.2.2	Monthly rental 12 = (12 Months)			12	
13.	Travel Lodge Card Facility (as and when required)				
13.1	Annual card fee (per card)			12	

Item No.	Items Description	Cost per unit (VAT inclusive)		Estimated Annual Transaction Volumes/ Value	Total Annual Cost (Cost per Item x Estimated Transaction Volumes/ Value)
		Rand	Cents		
13.2	Interest charged for the outstanding balance after grace period (Percentage of the outstanding balance)			1	
13.3	Card replacement fees (per card)			12	
13.4	Handling of queries (only queries born out of the error of the client department) as and when required (per transaction)			1	
	TOTAL COST (ITEMS 1 TO 13)				

PART B INTEREST

Items Description	Annual Interest Rate linked to Prime (Prime – ?)	Estimated Average Daily Balance	Total Daily Compounded Interest for the year (to be calculated using the Compound Interest formula below)
Interest on credit balance (favourable current account balance)	Prime Less	R100 000 000.00	*

PART C: NET BENEFIT

Net Benefit= Part B – Part A	
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NB: For the purpose of the evaluation, the Principal will use the Prime Rate applicable on the date of evaluation to determine the interest rate offered by the bidder, should there be a change in the prime rate at the time of evaluation.

$$*\text{Interest} = [100\,000\,000 (1+r/365)^{365 \times 1}] - 100\,000\,000$$

r = Prime linked interest rate (decimal)

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ANNEXURE "B"

GATE: 2 TECHNICAL EVALUATION CRITERIA

The Technical Evaluation comprises of two parts, viz Desktop Technical Evaluation and Presentation. Bidders must score minimum of 80 points out of 100 in order to proceed for further evaluation in Gate 3 (net benefit offered).

PART 1: DESKTOP TECHNICAL EVALUATION

The bid will be evaluated on Desktop Technical Evaluation as follows: -

Folio No.	Criterion	Weights	Evidence (Failure to attach the means of verification, the bidder(s) will not be eligible to get points)
1.	Service quality	10	Bidders to attach company profile indicating number of years (with clear start and end dates) in public sector banking at the provincial sphere of government with contactable reference(s).
1.1.	<i>Experience of the bank in public sector banking at the provincial sphere of government</i>	10	Bidders to attach letter(s) of award from respective provinces to support number of years of experience indicated on the company profile.
1.1.1	less than 3 years	0	
1.1.2	3 – 5 years	5	
1.1.3	6 – 10 years	7	
1.1.4	11 years and more	10	



PROVINCIAL TREASURY

2.	Management Expertise	10	Bidders to attach a list of Relationship Management Team indicating full names, Identity Numbers, qualifications, designation/portfolio and location (where the team member is based) in the company as outlined in item 11.3.16 of the ToR
2.1.	Relationship Management Team with public sector banking experience at the provincial sphere of government	5	
2.1.1	Not having a full Relationship Management Team	0	
2.1.2	Full Relationship Management Team	3	
2.1.3	Full Relationship Management Team and based in Polokwane	5	
2.2.	Average experience of the Relationship Management Team with public sector banking experience at the provincial sphere of government	5	Bidders to attach curriculum vitae for Relationship Management Team in line with item 2.1. (of this document) indicating number of years (with clear start and end dates) within public sector banking at the provincial sphere of government with contactable references.
2.2.1	Less than 3 years	0	
2.2.2	3 – 5 years	3	
2.2.3	6 years and more	5	



PROVINCIAL TREASURY

3.	Technological capabilities	50	Bidders to submit a proposal demonstrating the ability to:-
3.1.	Interfacing of bank accounts	10	Automate interface bank accounts with government financial system.
3.1.1	Electronic banking system not interfacing with government financial system.	0	
3.1.2	Electronic banking system interfacing with government financial system.	10	
3.2.	Sweeping between nominated bank accounts	5	Automate sweeping between nominated bank accounts.
3.2.1	No automated sweeping between nominated bank accounts.	0	
3.2.2	Automated sweeping between nominated bank accounts.	5	
3.3.	Set-off arrangement	5	Automate configuration of provincial government bank accounts profile in a set-off arrangement.
3.3.1	No automated set-off arrangement.	0	
3.3.2	Automated set-off arrangements.	5	
3.4.	Deposit Identification	5	Provide deposit identifier that will be able to identify the depositor in all deposit transactions.
3.4.1.	No deposit identification.	0	

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PROVINCIAL TREASURY

3.4.2	Deposit identification.	5	
3.5.	ACB Limits	10	
3.5.1	Setting of ACB Limits	5	Set ACB limit in a seven (7) day cycle.
3.5.1.1	Unable to set ACB Limits in seven days cycle.	0	
3.5.1.2	Able to set ACB Limits in seven days cycle.	5	
3.5.2	Adjustment of ACB Limits	5	Adjust both Item and Aggregate ACB Limits within timelines as and when required.
3.5.2.1	Unable to adjust ACB Limits by 11h30 a day after the payment run.	0	
3.5.2.2	Able to adjust ACB Limits by 11h30 a day after the payment run.	5	
3.6.	Real time processing of transactions	5	Provide real time processing of transactions to reflect same day in the payees' accounts.
3.6.1	No real time processing of transactions.	0	
3.6.2	Real time processing of transactions.	5	
3.7.	Payment recalls	5	To recall erroneous payments within set timelines.
3.7.1.	Unable to recall payments	0	
3.7.2.	Able to effect recalls submitted by 12H00 a day before the action date	5	

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PROVINCIAL TREASURY

3.8.	Query Management	5	Provide query management system that track the turnaround times.
3.8.1	No automated query management system.	0	
3.8.2	Automated query management system.	5	
4.	Geographic Spread	10	
4.1	Number of branches per district	4	Bidders must attach list of branches per district indicating physical address for each branch.
4.1.1	Less than five branches per district	0	
4.1.2	Five branches per district	2	
4.1.3	More than five branches per district	4	
4.2	Number of ATMs per district	4	Bidders must attach list of ATMs per district indicating physical address for each ATM.
4.2.1	Less than fifteen ATMs per district	0	
4.2.2	Fifteen ATMs per district	2	
4.2.3	More than fifteen ATMs per district	4	
4.3	Cash Processing Centers	2	
4.3.1	No cash processing center per district	0	
4.3.2	One cash processing center per district	2	
TOTAL		80	

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PART 2: PRESENTATION EVALUATION

Bidders are expected to make Power Point presentation on their capabilities demonstrating their understanding of the public sector banking environment at the provincial sphere of government and will be evaluated as per the criterion outlined below:

Folio No.	Criterion	Weights	Point of Reference (Clauses of the ToR)
1	Interfacing of bank accounts	4	11.2.
1.1	Electronic banking system not interfacing with government financial system.	0	
1.2	Electronic banking system interfacing with government financial system.	4	
2	Sweeping between nominated bank accounts	2	11.2
2.1	No automated sweeping between nominated bank accounts.	0	
2.2	Automated sweeping between nominated bank accounts.	2	
3.	Set-off arrangement	2	11.2
3.1	No automated set-off arrangement.	0	
3.2	Automated set-off arrangements.	2	



PROVINCIAL TREASURY

4	Deposit Identification	2	11.2
4.1	No deposit identification.	0	
4.2	Deposit identification.	2	
5	ACB Limits Facility	4	11.3.13
5.1	Setting of ACB Limits	2	
5.1.1	Unable to set ACB Limits in seven days cycle.	0	
5.1.2	Able to set ACB Limits in seven days cycle.	2	
5.2	Adjustment of ACB Limits	2	
5.2.1	Unable to adjust ACB Limits by 11h30 a day after the payment run.	0	
5.2.2	Able to adjust ACB Limits by 11h30 a day after the payment run.	2	
6.	Real time processing of transactions	2	11.3
6.1	No real time processing of transactions.	0	
6.2	Real time processing of transactions.	2	

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PROVINCIAL TREASURY

7.	Payment recalls	2	11.3.1
7.1	Unable to recall payments	0	
7.2	Able to effect recalls submitted by 12H00 a day before the action date	2	
8	Query Management	2	11.3.10
8.1	No automated query management system.	0	
8.2	Automated query management system.	2	
TOTAL		20	

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THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

TABLE OF CLAUSES

1.	Definitions
2.	Application
3.	General
4.	Standards
5.	Use of contract documents and information; inspection
6.	Patent rights
7.	Performance security
8.	Inspections, tests and analysis
9.	Packing
10.	Delivery and documents
11.	Insurance
12.	Transportation
13.	Incidental services
14.	Spare parts
15.	Warranty
16.	Payment
17.	Prices
18.	Contract amendments
19.	Assignment
20.	Subcontracts
21.	Delays in the supplier's performance
22.	Penalties
23.	Termination for default
24.	Dumping and countervailing duties
25.	Force Majeure
26.	Termination for insolvency
27.	Settlement of disputes
28.	Limitation of liability
29.	Governing language
30.	Applicable law
31.	Notices
32.	Taxes and duties
33.	National Industrial Participation Programme (NIPP)
34.	Prohibition of restrictive practices

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
 - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

- 1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

- 10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

- 10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

- 11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

- 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

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| 16. Payment | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.</p> <p>16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p> |
| 17. Prices | <p>17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.</p> |
| 18. Contract amendments | <p>18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.</p> |
| 19. Assignment | <p>19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.</p> |
| 20. Subcontracts | <p>20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.</p> |
| 21. Delays in the supplier's performance | <p>21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.</p> <p>21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.</p> <p>21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.</p> <p>21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the</p> |

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
 - (ii) the date of commencement of the restriction
 - (iii) the period of restriction; and
 - (iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

- 23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

**24. Anti-dumping
and countervailing
duties and rights**

- 24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which

may be due to him

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation (NIP) Programme** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices** 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

Js General Conditions of Contract (revised July 2010)